

104TH CONGRESS
2D SESSION

H. R. 3261

To provide for annual payments from the surplus funds of the Federal Reserve System to cover the interest on obligations issued by the Financing Corporation.

IN THE HOUSE OF REPRESENTATIVES

APRIL 17, 1996

Mr. FRANK of Massachusetts (for himself, Mr. DICKEY, Mr. CARDIN, Mr. KENNEDY of Massachusetts, Mrs. MALONEY, Mr. MEEHAN, Mr. NEAL of Massachusetts, Mr. POMEROY, and Mr. RAHALL) introduced the following bill; which was referred to the Committee on Banking and Financial Services

A BILL

To provide for annual payments from the surplus funds of the Federal Reserve System to cover the interest on obligations issued by the Financing Corporation.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Federal Reserve Sur-
5 plus Act of 1996”.

1 **SEC. 2. TRANSFER OF FEDERAL RESERVE SURPLUS FUNDS**
2 **TO MEET FICO CARRYING COSTS.**

3 (a) IN GENERAL.—Section 7(a) of the Federal Re-
4 serve Act (12 U.S.C. 289) is amended by adding at the
5 end the following new paragraph:

6 “(4) FICO PAYMENTS.—

7 “(A) IN GENERAL.—During the period be-
8 ginning on the date of the enactment of the
9 Federal Reserve Surplus Act of 1996 and end-
10 ing on the date the Financing Corporation
11 ceases to have any obligations outstanding
12 under section 21(e) of the Federal Home Loan
13 Bank Act, the Board shall annually transfer (in
14 addition to the transfers of funds required
15 under paragraph (3)) to the Financing Cor-
16 poration, from amounts in the surplus funds of
17 the Federal reserve banks, an amount equal to
18 \$3,000,000,000 divided by the number of cal-
19 endar years any portion of which falls within
20 such period for use in accordance with section
21 21(f)(1) of the Federal Home Loan Bank Act.

22 “(B) ALLOCATION.—The Board shall an-
23 nually determine, on the basis of such factors
24 as the Board considers appropriate, the manner
25 in which the amount of the obligation of the
26 Board under subparagraph (A) shall be allo-

1 cated among the surplus funds of the Federal
2 reserve banks.”.

3 (b) CONFORMING AMENDMENT.—Paragraph (1) of
4 section 21(f) of the Federal Home Loan Bank Act (12
5 U.S.C. 1441(f)) is amended to read as follows:

6 “(1) FEDERAL RESERVE SURPLUS.—

7 “(A) IN GENERAL.—Amounts transferred
8 to the Financing Corporation by the Board of
9 Governors of the Federal Reserve System from
10 the surplus funds of the Federal reserve banks
11 in accordance with section 7(a)(4) of the Fed-
12 eral Reserve Act.

13 “(B) TREATMENT IN CASE OF BANK IN-
14 SURANCE FUND MEMBER ASSESSMENTS.—To
15 the extent Bank Insurance Fund members (as
16 defined in section 7(l)(4) of the Federal Deposit
17 Insurance Act) are subject to any assessments
18 under this subsection, the total amount of such
19 assessments which, but for this subparagraph,
20 would be imposed on all such members for any
21 year shall be reduced by the transferred amount
22 referred to in subparagraph (A) with respect to
23 such year.”.

○